

Remarks

Summary of the Office Action

Claims 1-27 are pending in this application.

Claims 1-27 have been rejected as unpatentable over Risafi et al. (U.S. Patent No. 6,473,500) ("Risafi") in view of Williams et al. (U.S. Patent No. 5,815,657) ("Williams") considered with Blinn et al. (U.S. Patent No. 5,897,622) ("Blinn").

Telephone Interview

Applicant thanks Examiner Poinvil for courtesies extended to applicant's representative during a telephone interview on November 28, 2004. During the telephone interview, applicant's representative noted that applicant's invention is directed to on-line electronic commerce systems and methods and not to a system that uses a pre-paid card to conduct commerce at automated teller machines (ATMs), retail establishments or any other location that requires a card reader. Examiner Poinvil suggested inserting language into the independent claims directed to on-line registration of a user with a vendor to conduct electronic commerce and purchase electronic tokens. Applicant, however, has amended the independent claims to include other features that are not disclosed by the prior art of record and believe that all of the claims are in condition for allowance.

Applicant's Response

Applicant respectfully submits that neither Risafi nor Williams, either alone or in combination, teach or suggest all of the features of applicants claimed invention. As discussed above, Risafi relates to a system and method for using a pre-

paid card to conduct commerce at automated teller machines (ATMs), retail establishments or any other location **that possesses a card reader.**

Although applicant believes that claims 1 and 27, as originally amended, patentably distinguish over the prior art, in an effort to advance prosecution, applicant has amended independent claims 1 and 27 to more specifically state features recited in the previously presented claims. Applicant has amended independent claims 1 and 27 to recite that "no physical manifestation, other than a database entry, of the user account occurs." Support for this recitation is provided in the specification, e.g., at page 18, lines 7-25.

Applicant's invention creates a user account that does not require physical objects needed to access the user account. The user account is created electronically, either on-line or off-line, by entering information into a system. Risafi, on the other hand, **requires** that a physical prepaid card be issued to a user to enable the user to access that user's account. This is true even when conducting on-line transactions. Column 19, line 65 through column 20, line 7 states that for making purchases via the Internet, a personal computer is outfitted with a card reader. A user inserts the prepaid card in the card reader to make a purchase from a vendor web site. Therefore, the physical prepaid card must also be used to make purchases via the Internet. Applicant's claimed invention includes a user account that does not result in a "physical manifestation" (such as a prepaid card) to enable a user to access the account.

Applicant has also amended independent claims 1 and 27 to recite "authorizing a purchase transaction... without requiring any third party authentication." Support for this recitation is provided in the specification, e.g., at page 8, lines 1-5. Risafi does not disclose such a system. Risafi discloses a

system that enables users to make purchases using a prepaid card at a terminal connected to a card processing center. See, column 6, lines 37-44. A cash value of the prepaid card does not, however, reside on the card. See, column 7, lines 48-51. Therefore, every time a user uses the prepaid card to make a purchase, the terminal must communicate with the card processing center (i.e., a third-party) to determine an amount available on the prepaid card. See, column 11, lines 22-26. This is contrary to Applicant's claimed invention of "authorizing a purchase transaction at the participating vendor web site without requiring any third-party authentication" as claimed.

Applicant has also amended independent claims 1 and 27 to recite "wherein each purchase transaction is not subject to a minimum processing fee." Support for this recitation is provided in the specification, e.g., at page 4, lines 1-11. Risafi discloses traditional credit card transactions. Such transactions include a fixed or minimum fee that is paid to the credit card provider. In some instances, this fee is greater than a cost of a product or service that is being purchased. This does not facilitate micropayment transactions because associated fees are greater than the cost of the product or service thereby discouraging such transactions. Therefore, because a fee is incurred with each credit card transaction as disclosed, Risafi does not teach or suggest a purchase transaction that "is not subject to a minimum processing fee" as claimed.

Neither Williams nor Blinn cure these deficiencies of Risafi. Therefore, none of Risafi, Williams, and Blinn disclose, either alone or in combination, a system and method of conducting electronic commerce as claimed by applicant.


Applicant respectfully submits that claims 1 and 27 patentably distinguish over the prior art, and thus dependent

claims 2-26 also patentably distinguish over the prior art for at least the same reasons.

CONCLUSION

In view of the foregoing, applicant respectfully submits that the application is in condition for allowance. An early and favorable action is earnestly requested.

Respectfully submitted,



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